

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 SP-02 L-03 H-01 NSC-05 PA-01  
PRS-01 USIA-06 CIAE-00 INR-07 NSAE-00 EB-08  
COME-00 AID-05 FRB-03 XMB-02 TRSE-00 OPIC-03  
EPG-02 /077 W  
-----081855 261530Z /53  
R 261345Z JUL 77  
FM AMEMBASSY ANKARA  
TO SECSTATE WASHDC 8273

LIMITED OFFICIAL USE ANKARA 5586

E.O. 11652: NA  
TAGS: EFIN, US, TH, TU  
SUBJECT: LARGE LOAN TO TURKEY REPORTEDLY ARRANGED BY US FINANCING  
FIRM

1. CURIOS STORY IN LEFTIST ANTI-US CUMHURIYET JULY 26  
ALLEGES THAT US FIRM WAS PREPARED MAY 18 TO ARRANGE  
\$2 BILLION CREDIT FOR TURKISH GOVERNMENT IF COUNCIL  
OF MINISTERS WOULD PROVIDE GUARANTEE OF REPAYMENT IN FORM  
OF IRREVOCABLE LETTER OF CREDIT. CREDIT WOULD BE GIVEN  
FOR 20 YEARS. INTEREST RATE WAS TO BE 9.25 PERCENT,  
PRESUMABLY OVER EUROMARKET RATE, SINCE CUMHURIYET CHARAC-  
TERIZED COST AS EXHORBITANT. FIVE PERCENT OF TOTAL CREDIT  
WAS TO BE WITHHELD FOR PAYMENT OF COMMISSIONS.

2. CUMHURIYET, WHICH WAS ONLY NEWSPAPER WE HAVE SEEN TO  
CARRY STORY, REPRODUCED PHOTO PURPORTING TO BE OF THE  
FIRST HALF OF PAGE ONE OF A LETTER SENT MAY 18 BY  
KRISTOPHER K KEENEY, VICE PRESIDENT, GLOBAL TRADE ENTER-  
PRISES, 629 S.E. FRANKLIN STREET, SUITE 7, PORTLAND,  
OREGON 97202 (TEL 503/233-9563), TO THE HONORABLE  
YILMAZ ERGENEKON, MINISTER OF FINANCE, TURKEY, C/O  
ANTHONY HILL ENTERPRISES, P.O. BOX 3289, BULAWAYO,  
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RHODESIA. GLOBAL TRADE ENTERPRISES WAS SAID TO BE IN-  
TERMEDIATE ALONG WITH ANTHONY HILL IN THIS ARRANGEMENT.

3. NEWSPAPER PRINTED WHAT IT CLAIMED TO BE TURKISH  
TRANSLATION OF FULL TEXT OF THIS LETTER. TEXT INDICATED  
THAT FUNDS WOULD BE TRANSFERRED IN TWO OR MORE PORTIONS,  
THE FIRST TO BE \$500 MILLION AND THE REMAINDER TO BE

AGREED UPON BY BOTH SIDES. THE TEXT NOWHERE INDICATES THE AMOUNT OF THE TOTAL CREDIT, HOWEVER.

4. CUMHURIYET CLAIMED THAT TERMS OF CREDIT HAD BEEN ACCEPTED BY PRIME MINISTER DEMIREL IN FINAL DAYS OF HIS FIRST NATIONALIST FRONT COALITION GOVERNMENT. IT CONSIDERED DEMIREL'S SECOND COALITION GOVERNMENT, NOW AWAITING PARLIAMENTARY VOTE OF CONFIDENCE, LIKELY TO GO AHEAD WITH THE ARRANGEMENT.

5. CUMHURIYET OFFERS ITS OPINION THAT LOAN WOULD MORTGAGE TURKEY'S FUTURE, REQUIRING, IT CLAIMED, REPAYMENT OF PRINCIPAL AND INTEREST TOTALING SOME \$6 BILLION.

6. COMMENT. EMBASSY FINDS IT IMPOSSIBLE TO BELIEVE THAT ANYONE WAS OFFERING TURKEY \$2 BILLION IN MAY, IN VIEW OF ITS SEVERE INTERNATIONAL PAYMENTS PROBLEMS, OR TO THINK THAT ANYONE IS ABOUT TO DO SO NOW, WITHOUT IMPOSING VERY DIFFICULT CONDITIONS AFFECTING DIRECTION OF TURKISH ECONOMIC POLICY. WE REPORT THIS MATTER, HOWEVER, BECAUSE THE OFFER OF \$500 MILLION AT LEAST APPEARS TO BE REASONABLY WELL DOCUMENTED AND ALSO BECAUSE WHOLE ARRANGEMENT APPEARS STRANGE. EMBASSY WILL TRY TO FIND OUT FROM TURKISH CONTACTS WHETHER THERE WAS IN FACT INTEREST ON THE TURKISH SIDE IN SUCH AN ARRANGEMENT. WE WOULD APPRECIATE ANY INFORMATION DEPARTMENT MAY DEVELOP ON LIMITED OFFICIAL USE

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THIS MATTER.  
SPIERS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, CREDIT, LOANS, BUSINESS FIRMS, BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 26-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977ANKARA05586  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770266-0438  
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**Handling Restrictions:** n/a  
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**Line Count:** 96  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** bd030e64-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 08-Apr-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1754104  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LARGE LOAN TO TURKEY REPORTEDLY ARRANGED BY US FINANCING FIRM  
**TAGS:** EFIN, US, TH, TU  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/bd030e64-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009